

● **Board of Directors**
Water Planning and Resources Committee

March 14, 2000 Board Meeting

10-4

Subject

Principles of Agreement for Clarifying Amendments to the State Water Contract Developed by the State Water Contractors and Department of Water Resources (DWR)

Description

In late 1998, Metropolitan, other State Water Project (SWP) contractors, and DWR developed principles to refine the water supply contracts. The Board authorized the General Manager to execute an amendment implementing those principles with the exception of principles not exempt under the California Environmental Quality Act (CEQA). A summary of the 1998 principles is included in [Attachment 1](#). DWR subsequently informed the contractors that it was reassessing whether these principles were exempt. However, a change in DWR administration delayed the reassessment.

DWR has subsequently requested several additional issues be addressed in renewed negotiations. In December 1999, these negotiations concluded with additional principles which are summarized in [Attachment 2](#) and address the following areas:

- Pay-as-you-go financing of Conservation Operations and Maintenance Charges
- Water purchases
- Short-term financing
- Expanded Water System Revenue Bond financing
- Transitional water program

Staff is currently engaged in developing language to implement the principles outlined in [Attachment 1](#) and [Attachment 2](#). The Board's approval of the entire package will be sought in the future. Staff's further discussions with DWR will be conducted in coordination with the review process of the SWP initiated at the February 22, 2000 joint workshop of Water Planning and Resources and Legal and Claims Committees.

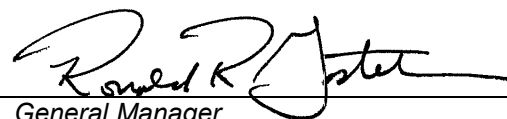
Policy

SWP Contract amendments require Board authorization.


Stephen N. Arakawa
Acting Manager, Water Resource Management

2/23/2000

Date


Ronald R. Jester
General Manager

2/24/2000

Date

[Attachment 1](#)
[Attachment 2](#)